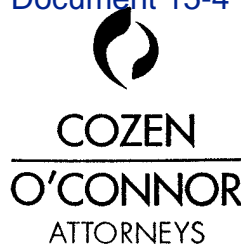


PHILADELPHIA
ATLANTA
CHARLOTTE
CHERRY HILL
CHICAGO
DALLAS
DENVER
LAS VEGAS
LONDON
LOS ANGELES



NEW YORK
NEWARK
SAN DIEGO
SAN FRANCISCO
SEATTLE
TRENTON
WASHINGTON, DC
WEST CONSHOHOCKEN
WICHITA
WILMINGTON

A PROFESSIONAL CORPORATION

1900 MARKET STREET PHILADELPHIA, PA 19103-3508 215.665.2000 800.523.2900 215.665.2013 FAX www.cozen.com

September 25, 2003

A. Richard Bailey
Direct Phone 215.665.2040
Direct Fax 215.701.2040
abailey@cozen.com

Bradford N. Louison, Esquire
Merrick Louison & Costello, LLP
67 Batterymarch Street
Boston, Massachusetts 02110

Re: MacNeil v. Intercity Alarms
Date of Loss: 1/22/03
Your Claim No.: 863369-48-Scottsdale Insurance Company
Our File No.: 133717

Dear Mr. Louison:

Thank you for your letter of September 19, 2003. I have previously forwarded to Scottsdale Insurance Company in my letter dated September 2, 2003, a copy of the report from Deputy Fire Chief Rogers dated January 24, 2003 as well as copies of those photographs which we received from the Falmouth Fire Rescue Department. I also sent to Scottsdale by letter dated August 19, 2003 a copy of the Fire Investigation Summary Report (case number 2003-117-0071) from the Falmouth Fire Department.

In response to your inquiry, the theory of liability against Intercity is that it provided a fire protection system to the MacNeil home which failed to operate. I am sure that you are in receipt of a copy of a letter dated April 16, 2003 from Ridgway Crouch, President of Intercity Alarms to Bruce MacNeil wherein Mr. Crouch states that the smoke detectors did not operate.

In discussing this fact scenario with my expert, I am informed that since the MacNeil home was equipped with at least four smoke detectors that at least one should have operated during the incipient stages of this fire which would have alerted the fire department which would have responded and extinguished this fire at its early stages with very little damage to the MacNeil home. Therefore, it appears that Intercity was negligent for not inspecting the fire protection system on a regular basis as required by the National Fire Protection Association guidelines. Intercity was also negligent in not keeping the fire protection system in working order, the result of which, a small fire was able to progress to a large fire completely destroying the MacNeil home.

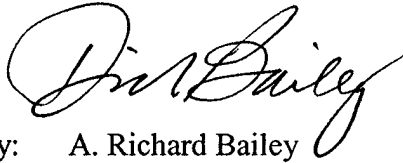
September 25, 2003
Page 2

It appears to me that since Scottsdale has now retained you, this matter in all probability will move to litigation. I am therefore in the process of preparing the complaint. Would you please advise me whether you are authorized to accept service of the complaint on behalf of Intercity Alarms.

I look forward to hearing from you concerning the above. In the interim, I will obtain the damage documentation from Chubb and forward that material to you as soon as I receive it.

Very truly yours,

COZEN O'CONNOR

A handwritten signature in cursive script, appearing to read "Dick Bailey".

By: A. Richard Bailey

ARB/sm